

respectfully request that the present application, **which has been pending for more than five years**, be allowed at this time.

REMARKS

This application is pending with claims 1-87 under consideration. The Office Action rejects claims 1-22 under 35 U.S.C. § 103(a) as being unpatentable over United States patent number 6,222,914 to McMullin (hereinafter the "McMullin patent") and rejects claims 23-87 under 35 U.S.C. § 102(e) as being anticipated by the McMullin patent.

Section 103(a) Rejection (Claims 1-22)

Applicants respectfully overcome and traverse the rejections based on the McMullin patent. Specifically, with respect to the 103(a) rejection, the Office Action fails to set forth a *prima facie* case of obviousness. Further, the McMullin patent teaches away because a prior art reference must be considered in its entirety, including portions that would lead away from the claimed invention. *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983).

In accordance with M.P.E.P. § 2142, the Examiner bears the initial burden of establishing a *prima facie* case of obviousness. "To establish a *prima facie* case of obviousness, three basic criteria must be met." (M.P.E.P. § 2143.) First, some suggestion or motivation in the prior art references or in the knowledge of one of ordinary skill in the relevant art must exist to modify or combine the references. Second, if the references are combined, a reasonable expectation of success must be shown. Then, finally, all of the claim limitations must be taught or suggested by one reference or a combination of references. *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991). To establish a *prima facie* case of obviousness based on a single reference that does not teach all the

elements of a claim, the Examiner must provide a rationale for modifying the teachings of the reference. See *In re Kotzab*, 55 U.S.P.Q.2d 1313, 1317 (Fed. Cir. 2000), citing, *B.F. Goodrich Co. v. Aircraft Breaking Sys. Corp.*, 72 F.3d 1577, 1582, 37 U.S.P.Q.2d 1314, 1318 (Fed. Cir. 1996). Further, any modification to the cited reference to establish *prima facie* obviousness may not change the principles of operation of the cited reference or make it unsatisfactory for its intended purpose. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The McMullin patent does not teach all claim limitations and the Office Action does not provide a rationale for modifying the cited patent in a way that does not impermissibly change the principle of operation or make the McMullin patent unsatisfactory for its intended purpose.

The McMullin patent discloses a system and method for administration of an incentive award program wherein award points are earned in response to purchases of a Sponsor's goods or services made by the debit card user. The Sponsor is defined as an entity that "makes recurring charges to their customers." (See McMullin patent at col. 5, lines 62-64). Further, the Sponsor is an entity having a contractual relationship with the debit card user. (See McMullin patent at col. 3, lines 45-48). The McMullin patent requires the debit card user to remain a customer of the Sponsor for a period of time after earning the rewards. (See McMullin patent at col. 5, lines 48-55). The goal and purpose of the McMullin patent is to increase customer loyalty to a Sponsor by rewarding users as long as they are still customers of the Sponsor and still in good standing with the Sponsor. For this reason, the award points earned by a debit card user will not be awarded unless a user is still in good standing and a current customer of the Sponsor. In fact, the earned rewards will be forfeited if the debit card user is no longer a customer of the Sponsor. (See McMullin patent at col. 5, lines 33-36). The purpose of the present invention, however, is to benefit the issuer of the card (*i.e.*, the financial institution) by promoting increased

usage. These divergent goals are achieved through different principles of operation. These principles of operation cannot be changed or modified to make the present invention obvious over the McMullin patent. Specifically, the McMullin patent requires that the debit card user “**must** still be a customer in good standing with the credit card Sponsor . . . to receive the awarded points (See McMullin patent at col. 2, lines 16-19). Ignoring this requirement, not only would change the principle of operation of the McMullin patent, which is prohibited (*see In re Ratti*, 270 F.2d 810 (CCPA 1959), but would also make the McMullin patent unsatisfactory for its intended purpose (*i.e.*, to benefit the Sponsor by rewarding current customers in good standing), which is also prohibited (*see In re Gordon*, 733 F.2d 900 (Fed. Cir. 1984).

Accordingly, the present invention which rewards usage of the debit card regardless of whether the user is still a customer in good standing is patentably distinguishable from the McMullin patent.

Further, all of the steps of independent claim 1 are not taught or suggested by the McMullin patent. Claim 1 of the application requires the steps of: (1) *designating a retailer as a preferred retailer*; and (2) *crediting the financial account an amount up to the amount of the purchase ... at the preferred retailer*. The McMullin patent fails to teach or suggest these steps. The modification of the cited patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principles of operation. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The “preferred retailer” of the present invention is not synonymous with a “Sponsor” as defined by the McMullin patent. First, the Sponsor must have a contractual relationship with the customer (See McMullin patent at col. 3, lines 45-48) and preferred retailers as defined in the present application do not. Second, the Sponsor has a continuing relationship with the user so the test to determine whether a reward should be awarded (*i.e.*, Is

the customer still a customer of the Sponsor?) can be satisfied. The McMullin patent explicitly provides for the forfeiture of earned rewards if this test is not satisfied. This test will never be satisfied with a preferred retailer because there is no continuing relationship between the user and the preferred retailer. Accordingly, the McMullin patent would be inoperative and unsatisfactory for its intended purpose using a preferred retailer in place of a Sponsor. **The cited McMullin patent cannot be modified to include designating a retailer as a preferred retailer; and (2) crediting the financial account an amount up to the amount of the purchase ... at the preferred retailer.** Further, to establish *prima facie* obviousness, all claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the cited patents fail to teach or suggest the above-listed limitations. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 1 is nonobvious in light of the cited patent. The claims dependent upon independent claim 1 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

The McMullin patent does not render claims 1-22 obvious. Accordingly, claims 1-22 are in condition for allowance.

Section 102(e) Rejection (Claims 23-87)

The Examiner rejected claims 23-87 under 35 U.S.C. § 102(e) as being anticipated by the McMullin patent. Applicants respectfully overcome and traverse the rejections based on the McMullin patent. The McMullin patent does not anticipate the claims because it fails to teach or suggest each and every element of independent claims 23, 40, 63, 86, and 87. Accordingly, claims 23, 40, 63, 86, and 87, as well as the claims that depend thereon, are in condition for allowance.

In accordance with M.P.E.P. § 2131, “[a] claim is anticipated only if each and every

element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil of California*, 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987) (emphasis added). The disclosure of a claim element in a prior art reference, when relied upon to negate patentability, must also be clear and unambiguous. Further, “[t]he identical invention must be shown in as complete detail as contained in the...claim.” *Richardson v. Suzuki Motor Corp.*, 868 F.2d 1226, 1236, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989).

Claim 23 is a “system of reward management and tracking for a debit card reward program for a retailer,” which includes the following element: (1) *means for crediting the financial account an amount corresponding to a purchase made during the current period at a preferred retailer....* The McMullin patent fails to teach or suggest this step. The “preferred retailer” of the present invention is not synonymous with a “Sponsor” as defined by the McMullin patent. First, the Sponsor must have a contractual relationship with the customer (See McMullin patent at col. 3, lines 45-48) and preferred retailers as defined in the present application do not. Second, the Sponsor has a continuing relationship with the user so the test to determine whether a reward should be awarded (*i.e.*, Is the customer still a customer of the Sponsor?) can be satisfied. The McMullin patent explicitly provides for the forfeiture of earned rewards if this test is not satisfied. This test will never be satisfied with a preferred retailer because there is no continuing relationship between the user and the preferred retailer. Accordingly, the McMullin patent would be inoperative using a preferred retailer in place of a Sponsor. The McMullin patent fails to teach or suggest the above-listed limitations. The claims dependent upon independent claim 23 are not anticipated for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

All of the steps of independent claim 40 are not taught or suggested by the McMullin patent. Claim 40 of the application requires the steps of: (1) *designating a retailer as a preferred retailer*; and (2) *debiting the amount of the cost of a purchase in a subsequent period from the financial account ... up to the amount of the purchase ... made at the preferred retailer* The McMullin patent fails to teach or suggest these steps. The “preferred retailer” of the present invention is not synonymous with a “Sponsor” as defined by the McMullin patent. First, the Sponsor must have a contractual relationship with the customer (See McMullin patent at col. 3, lines 45-48) and preferred retailers as defined in the present application do not. Second, the Sponsor has a continuing relationship with the user so the test to determine whether a reward should be awarded (*i.e.*, Is the customer still a customer of the Sponsor?) can be satisfied. The McMullin patent explicitly provides for the forfeiture of earned rewards if this test is not satisfied. This test will never be satisfied with a preferred retailer because there is no continuing relationship between the user and the preferred retailer. Accordingly, the McMullin patent would be inoperative using a preferred retailer in place of a Sponsor. The McMullin patent fails to teach or suggest the above-listed limitations. The claims dependent upon independent claim 40 are not anticipated for the same reasons. In re Fine, 837 F.2d 1071 (Fed. Cir. 1988).

Claim 86 of the application requires the limitation of a preferred retailer in almost every step. As discussed with respect to claims 1, 23, and 40, the McMullin patent requires a Sponsor and the present application requires a preferred retailer. The two are not synonymous. The McMullin patent fails to teach or suggest these steps. Accordingly, claim 86 is not anticipated by the McMullin patent.

All of the steps of independent claim 87 are not taught or suggested by the McMullin patent. Claim 87 of the application requires the steps of: (1) *designating at least one retailer as*

a preferred retailer; and (2) debiting the amount of the cost of a purchase ... for purchases made at the preferred retailer. The McMullin patent fails to teach or suggest these steps. The “preferred retailer” of the present invention is not synonymous with a “Sponsor” as defined by the McMullin patent. First, the Sponsor must have a contractual relationship with the customer (See McMullin patent at col. 3, lines 45-48) and preferred retailers as defined in the present application do not. Second, the Sponsor has a continuing relationship with the user so the test to determine whether a reward should be awarded (i.e., Is the customer still a customer of the Sponsor?) can be satisfied. The McMullin patent explicitly provides for the forfeiture of earned rewards if this test is not satisfied. This test will never be satisfied with a preferred retailer because there is no continuing relationship between the user and the preferred retailer. Accordingly, the McMullin patent would be inoperative and unsatisfactory for its intended purpose using a preferred retailer in place of a Sponsor. The cited patents fail to teach or suggest the above-listed limitations. Accordingly, the Office Action fails to establish anticipation of claim 87.

Applicants are confused with respect to the rejection of claims 63-85. The rejection appears to be based on the Walker *et al.* patent, which was withdrawn by this Office Action, and the McMullin patent is not referenced at all. Further, the same rejection based on the Walker *et al.* patent was made in the August 22, 2003 Office Action, but at that time it conceded that the Walker *et al.* reference alone was not enough and the Hoffman *et al.* reference was cited to make a 103(a) rejection. If the Examiner is maintaining the 103(a) rejection, Applicants respectfully direct the Examiner to the response to the August 22, 2003 Office Action. In any event, Applicants respectfully request clarification on this issue. In an effort to assist the Examiner, Claim 63 will be distinguished from the McMullin patent. Claim 63 of the application requires

the steps of: (1) *defining selected parameters of information regarding each purchase made by the user*; (2) *predetermining levels of the selected parameters*; (3) *capturing information regarding each purchase made by the user including, at least in part, information concerning the selected parameters*; (4) *comparing the captured information to the predetermined levels*; and (5) *calculating a reward based, at least in part, on the comparison of the captured information to the predetermined levels*. The McMullin patent fails to teach or suggest the steps of defining, predetermining, capturing, or comparing selected parameters and the Office Action does not assert it does. Accordingly, claim 63 is not anticipated by the McMullin patent. The claims dependent upon independent claim 63 are not anticipated for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

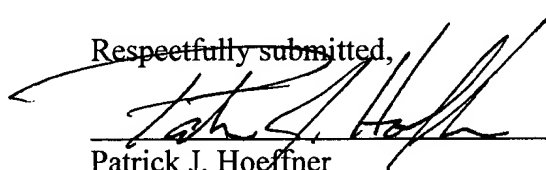
CONCLUSION

For the reasons stated above, the applicants respectfully submit that they have made a patentable contribution to the art. Reconsideration and allowance of this application are respectfully requested.

PETITION

An extension of time is being filed together with this paper.

Respectfully submitted,



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